

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 367 final

Brussels, 30 June 1980

Recommendation for a

COUNCIL DECISION

authorizing the Commission to open negotiations with non-member countries which have concluded textile agreements with the Community for the purpose of adapting the said agreements to take account of the accession of Greece to the European Communities

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. Under Article 123 of the Act of Accession of the Hellenic Republic to the European Communities, Greece is required to adopt from 1 January 1981 the full *acquis communautaire* in the field of textile trade policy.

This is to be done in accordance with the procedure agreed at meetings of the negotiating conference at deputy level between the Community and Greece (CONF/GR/68/78 and CONF/GR/30/78).

2. In the textile field, the *acquis communautaire* consists of :

- External arrangements to regulate imports from low-cost supplying countries. These take the form of bilateral agreements which are mostly valid until 31 December 1982, negotiated on the basis of the Multifibre Arrangement and the Protocol extending it, and informal voluntary restraint arrangements with a number of countries linked to the Community by preferential agreements.
- Internal arrangements "global" Community and regional limits for the eight most sensitive products, with allowance for import growth allocated among the Member States according to a formula based on objective criteria. The agreements and arrangements are administered on the basis of a unified nomenclature and classification covering all textile products.

3. Greece's adoption of the *acquis communautaire* on textiles must not lead the supplying countries to call the agreements or arrangements into question. This means in particular that the adjustments should not result in any undermining of their present position, notably in economic terms.

But with a few exceptions Greece is not a significant importer of textiles, and the structure of its imports differs considerably from that of the other Member States, because of both its own situation as a major textile producer and the policy it has hitherto pursued on textile imports.

4. Accordingly, the Commission will need negotiating directives which, while conforming strictly to the principles and aims of the Community's textile trade policy, allow it a degree of flexibility in fixing the quota shares for Greece.
5. The Commission is aware that this operation which must be completed by 1 January 1981 could take some time accordingly it requests that the Council adopts the annexed negotiating directives as soon as possible.

RECOMMENDATION FOR A COUNCIL DECISION AUTHORIZING THE COMMISSION TO OPEN NEGOTIATIONS WITH NON-MEMBER COUNTRIES WHICH HAVE CONCLUDED TEXTILE AGREEMENTS WITH THE COMMUNITY FOR THE PURPOSE OF ADAPTING THE SAID AGREEMENTS TO TAKE ACCOUNT OF THE ACCESSION OF GREECE TO THE EUROPEAN COMMUNITIES

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the recommendation from the Commission,

Whereas the Community has concluded with certain non-member countries bilateral agreements and arrangements on trade in textiles ;
whereas those agreements and arrangements should be adapted to take account of the accession of Greece to the European Communities and negotiations opened for that purpose with the countries in question,

HAS DECIDED AS FOLLOWS :

Sole Article

The Commission is hereby authorized to enter into negotiations with all countries which have signed bilateral textile agreements or arrangements for the purpose of adapting the said agreements or arrangements to take account of the accession of the Hellenic Republic to the European Communities.

The Commission shall conduct the negotiations in accordance with the directives annexed to this Decision and in consultation with the special committee provided for in Article 113 of the Treaty.

Representatives of the Hellenic Republic may participate in meetings as observers.

Negotiating directives

1. Basic principles

- In order to avoid demands by the supplier countries for a comprehensive renegotiation of the textile agreements, it will be necessary at least to maintain the current position, notably in economic terms.
- If the countries concerned refused adjustments to the agreements, it could be necessary to apply Article 123 (2) of the Act of Accession of the Hellenic Republic to the European Communities. ⁽¹⁾

2. Countries concerned

- All countries having concluded with the Community bilateral agreements or arrangements which will be in force on 1 January 1981 (Annexe II). In the case of the preferential countries concerned (Portugal, Malta, Morocco and Egypt), the adjustment will have to take into account, so far as the substance is concerned, the special status of these countries' trade relations with the Community, while the timetable will have to be drawn up in the light of the current negotiations for the conclusion of additional protocols to the comprehensive agreements linking them with the Community.

3. Detailed provisions

The following adjustments will be necessary :

(1). "Should these Protocols not have been concluded by 1 January 1981

a) External elements (MFA countries)

i. Basket extractor

Community

Basket extractor levels for 1982 should be worked out on the basis of total EEC imports including, exceptionally, 1980 EEC imports originating in Greece, so as to allow the non-member countries concerned to retain the economic value of their entitlements. In practice the basket extractor level for 1981 and 1982 will be 102.5 % (or 102 %) - rather than the present figure of 100 % - of the percentage of total 1980 extra-EEC imports, including those from Greece, which is used as the basis for the calculation.

Regional

The regional basket extractor threshold for Greece will be 2.5 % (or 2 %) of the Community basket extractor threshold as defined above.

ii. Establishment of limits

A limit will be set for Greece wherever the agreements currently provide for a Community limit allocated among all the Member States.

These quota shares will be based on existing trade patterns. But they cannot be smaller than the figure given by the theoretical calculation⁽¹⁾ (5 % of 2.5 % - or 2 % - of the Community limit), it being understood that this figure too may not fall below certain threshold levels (2 tonnes or 2,000 pieces) under which the shares would be quite meaningless in economic terms.

A regional limit may be set for Greece where there is no Community quota but the existing trade flow is appreciably above the basket extractor threshold and there are verifiable economic grounds for such a limit.

⁽¹⁾ Cf. the formula used in the 1977 negotiations.

iii. Reference levels

To take account of the characteristics of Greece's textile import policy prior to accession the reference levels will be calculated on the basis of the arithmetical average of 1977, 1978 and 1979 performance levels. Exceptions to this rule for special cases will have to be made on a pragmatic basis.

iiii. Growth rates

As a rule the 1981 limits for Greece will be established on the basis of the reference levels (see 3.(b) 3.) plus $2 \times 6\%$.

The rate of growth from 1981 to 1982 to be applied to the Greek limits should be the same as the average Community growth rates for the various categories of products.

b) External elements (preferential countries)

With the exception of para. i, the provisions of paras. b)ii, iii, iiii shall apply, given that a more favourable regime should be granted to these partners.

4. The following operations could also be carried out at the same time as the negotiations :

- . Updating of the global Community ceilings for 1981 and 1982.
- . Establishment of global regional ceilings for Greece for 1981 and 1982.
- . Inclusion of Greece in the burden sharing formula. Applying the criteria used for the other Member States, Greece's share would be somewhere in the 2-2,5 % bracket.

LIST OF THIRD COUNTRIES HAVING CONCLUDED
AGREEMENTS OR ARRANGEMENTS

Bilateral agreements

Argentina

Brazil

Colombia

Guatemala

Haiti

Mexico

Peru

Uruguay

South Korea

Hong Kong

Macao

Indonesia

Malaysia

Philippines

Singapore

Thailand

Bangladesh

India

Pakistan

Sri Lanka

Bulgaria

Hungary

Poland

Romania

Yugoslavia

China

Egypt

Informal arrangements

Morocco

Portugal

Egypt

Malta

